

## **Notice of Intent to Prepare an Environmental Impact Statement and Conduct Public Scoping Meetings; Site Selection for the Expansion of the Strategic Petroleum Reserve**

**AGENCY:** Department of Energy.

**ACTION:** Notice of Intent to Prepare an Environmental Impact Statement.

**SUMMARY:** The Energy Policy Act of 2005 (EPACT), enacted on August 8, 2005, directs the Secretary of Energy to acquire petroleum to fill the Strategic Petroleum Reserve (SPR) to its authorized 1 billion-barrel capacity as expeditiously as possible, and, no later than 1 year after enactment, to select sites necessary to expand the SPR from its current 727 million-barrel capacity to 1 billion barrels. DOE has determined that the site selection and expansion required by EPACT constitute a major Federal action which may have a significant impact upon the environment within the meaning of the National Environmental Policy Act (NEPA). For this reason, DOE intends to prepare an environmental impact statement (EIS) to assess the proposed capacity expansion at three of the four existing SPR storage sites and the development of a new storage site in the Gulf Coast region.

DOE will prepare the EIS in accordance with NEPA, the Council on Environmental Quality (CEQ) NEPA regulations (40 CFR Parts 1500-1508) and the DOE NEPA regulations (10 CFR Part 1021).

**DATES:** DOE invites interested agencies, organizations, Native American tribes, and members of the public to submit comments or suggestions to assist in identifying significant environmental issues and in determining the appropriate scope of the EIS. The public scoping period starts with the publication of this notice in the Federal Register and will continue until October 14, 2005. Written and oral comments will be given equal weight and DOE will consider all comments received or postmarked by October 14, 2005, in defining the scope of the Draft EIS. Written comments postmarked or sent after this date will be considered to the degree practicable.

DOE invites oral comments and suggestions at public scoping meetings to which agencies, organizations, Native American tribes, and the general public are invited. The dates for these meetings are as follows:

1. October 4, 2005; 7 p.m. to 9 p.m.; Hattiesburg, Mississippi
2. October 5, 2005; 7 p.m. to 9 p.m.; Pascagoula, Mississippi
3. October 6, 2005; 7 p.m. to 9 p.m.; Houma, Louisiana
4. October 11, 2005; 7 p.m. to 9 p.m.; Lake Jackson, Texas

The locations of the public scoping meetings were selected based on their proximity to the locations of proposed new oil storage sites or related major ancillary offsite facilities under consideration. If an agency, organization, or a member of the general public desires to have a scoping meeting near one of the proposed expansion sites, please contact Donald Silawsky at the address listed in the ADDRESSES section of this Notice. If DOE

decides to host a public scoping meeting near one of the proposed expansion sites, DOE will publish an amendment to this Notice and other public announcements.

**ADDRESSES:** Written comments or suggestions on the scope and content of the EIS and requests to speak at the scoping meetings should be directed to: Donald Silawsky, Office of Petroleum Reserves (FE-47), U.S. Department of Energy, 1000 Independence Avenue SW, Washington, DC 20585-0301; telephone: (202) 586-1892; fax: (202) 586-4446; or electronic mail at [Donald.Silawsky@hq.doe.gov](mailto:Donald.Silawsky@hq.doe.gov). Envelopes and the subject line of e-mails or faxes should be labeled “Scoping for the SPR EIS.” Please note that conventional mail to DOE may be delayed by anthrax screening.

The locations of the scoping meetings are as follows:

1. C.E. Roy Community Center, 300 East 5<sup>th</sup> Street, Hattiesburg, Mississippi
2. La Font Inn, 2703 Denny Avenue, Pascagoula, Mississippi
3. Ramada Inn, 1400 West Tunnel Boulevard, Houma, Louisiana
4. Cherotel Brazosport Hotel and Conference Center, 925 Hwy 332, Lake Jackson, Texas

**FOR FURTHER INFORMATION, CONTACT:** For information on the proposed project or to receive a copy of the Draft EIS when it is issued, contact Donald Silawsky by any of the means listed in the ADDRESSES section of this notice. Additional information may also be found on the DOE Fossil Energy website at [www.fossil.energy.gov](http://www.fossil.energy.gov).

For further information on the DOE NEPA process, please contact: Carol M. Borgstrom, Director, Office of NEPA Policy and Compliance (EH-42), U.S. Department of Energy, 1000 Independence Avenue, SW, Washington, DC 20585-0119; telephone: 202-586-4600; fax: 202-586-7031; or leave a toll-free message at: 1-800-472-2756.

## **SUPPLEMENTARY INFORMATION:**

### **Background and Need for Agency Action**

The SPR is a national stockpile of petroleum, established pursuant to the Energy Policy and Conservation Act of 1975, to protect the United States from interruption in petroleum supplies that would be detrimental to our energy security, national security, and economy. The SPR currently consists of four underground oil storage facilities along the Gulf Coast, two in Louisiana (Bayou Choctaw and West Hackberry) and two in Texas (Big Hill and Bryan Mound), and an administrative facility in New Orleans, Louisiana. At the storage facilities, crude oil is stored in caverns constructed by the solution mining of rock salt formations (salt domes). The four SPR facilities have a current storage capacity of 727 million barrels and a current inventory of 700 million barrels (August 2005).

DOE conducted planning activities for the expansion of the SPR to 1 billion barrels under prior Congressional directives in 1988 and 1990. The expansion planning directive in 1988 resulted in an initial plan for expansion entitled *Report to Congress on Expansion of the Strategic Petroleum Reserve to One Billion Barrels*. The expansion planning directive

in 1990 resulted in a *Report to Congress on Candidate Sites for Expansion of the Strategic Petroleum Reserve to One Billion Barrels* and the preparation of a Draft Environmental Impact Statement, DOE/EIS-0165-D in 1992, which assessed five candidate sites for the expansion of the SPR to one billion barrels: Big Hill, Texas; Stratton Ridge, Texas; Weeks Island, Louisiana; Cote Blanche, Louisiana; and Richton, Mississippi. (DOE/EIS-0165-D is available on the DOE Fossil Energy website at [www.fe.doe.gov](http://www.fe.doe.gov).)

Section 301(e) of EPACT directs the Secretary of Energy to “acquire petroleum in quantities sufficient to fill the [SPR] to the 1,000,000,000 barrel capacity authorized under section 154(a) of [EPCA].” In addition, section 303 of EPACT directs that: “Not later than 1 year after the date of enactment of this Act, the Secretary shall complete a proceeding to select, from sites that the Secretary has previously studied, sites necessary to enable acquisition by the Secretary of the full authorized volume of the Strategic Petroleum Reserve. In such proceeding, the Secretary shall first consider and give preference to the five sites which the Secretary previously addressed in the Draft Environmental Impact Statement, DOE/EIS-0165-D. However, the Secretary, in his discretion may select other sites as proposed by a State where a site has been previously studied by the Secretary to meet the full authorized volume of the Strategic Petroleum Reserve.”

In a preliminary review of the five sites addressed in the Draft DOE/EIS-0165-D, DOE has concluded that the Weeks Island site and the Cote Blanche site are no longer viable alternatives due to the sale of DOE’s Weeks Island oil pipeline in 1998 and its subsequent conversion to natural gas transmission. This pipeline was required for oil distribution from these sites. DOE proposes to eliminate these sites from further consideration.

In addition to the sites addressed in Draft DOE/EIS-0165-D, DOE proposes to include potential expansions to SPR’s West Hackberry and Bayou Choctaw, Louisiana, storage sites as well as two potential new storage site candidates – Clovelly and Chacahoula, Louisiana. These sites have been previously studied by DOE to meet the authorized expansion to 1 billion barrels. The proposed expansions of the two existing SPR sites would utilize existing infrastructure and pipelines of each oil storage site, which would lower development time and cost. The two potential new SPR storage site candidates, Clovelly or Chacahoula, Louisiana, would provide distribution capabilities to Gulf Coast refining regions which are not adequately served by the existing SPR storage sites.

As directed by EPACT, DOE will consider other sites as proposed by the States where a site has been previously studied by the Secretary to meet the full authorized volume of the Strategic Petroleum Reserve.

### **Proposed Action**

The proposed action is to expand SPR storage capacity to one billion barrels by expanding existing sites at West Hackberry (up to an additional 15 million barrels),

Bayou Choctaw (up to an additional 30 million barrels), and Big Hill (up to an additional 108 million barrels), and by developing one new oil storage site with up to 160 million barrels of storage capacity at either Clovelly or Chacahoula, Louisiana; Richton, Mississippi; or Stratton Ridge, Texas.

For both existing site expansions and a new site, DOE would create oil storage caverns in rock salt formations from 1,000 to 6,000 feet below ground surface. Caverns would be constructed through a technique known as solution mining or leaching using fresh or salt water. Leaching generates approximately 80 million barrels of concentrated brine wastewater per 10 million barrels in cavern space created. This wastewater would be disposed of either by pipeline to diffusers in the Gulf of Mexico or by an array of underground injection wells.

All SPR salt dome storage sites require a raw water system for cavern leaching and oil drawdown, a brine setting and disposal system, a crude oil injection/distribution system, a fixed fire protection system, and a central control system. Major surface buildings and structures would include an electrical substation, a control center, an administration building, security operations buildings, communication structures, a covered laydown area, a fire house, and a warehouse for storage and maintenance. To supply the water to a new site, a raw water intake structure would be constructed offsite in a surface water body. The water and brine systems for leaching caverns would be sized to supply up to 1.2 million barrels per day and the crude oil distribution system would be designed for drawdown up to one million barrels per day. The proposed expansions of existing SPR facilities would, in general, use the existing infrastructure and pipelines of the oil storage site. Expanding the Big Hill site, however, would require additional pumping systems to increase the site's drawdown rate and the construction of an additional pipeline to Nederland, Texas, for oil distribution.

The development of a new oil storage site would include the construction of offsite infrastructure and pipelines for water supply, brine disposal, and for crude oil receipt and distribution. An SPR storage site at Clovelly would be co-located on the salt dome with the Louisiana Offshore Oil Port (LOOP) petroleum storage terminal and would use the existing commercial oil distribution infrastructure. An SPR storage site at Chacahoula would require a 58-mile pipeline for brine disposal to the Gulf of Mexico, and a 50-mile pipeline for oil distribution to the LOOP petroleum storage terminal at Clovelly, and/or a 21-mile pipeline to the marine facilities in St. James, Louisiana. An SPR storage site at Richton would require two, co-located pipelines to Pascagoula, a 96-mile brine disposal pipeline to the Gulf of Mexico and a 83-mile oil distribution pipeline; the construction of a 118-mile oil distribution pipeline to the Capline Interstate Pipeline injection station at Liberty, Mississippi; and the construction of new marine oil distribution facilities (docks and storage tanks) in the Port of Pascagoula. An SPR storage site at Stratton Ridge would require an 11-mile brine disposal pipeline and a 37-mile oil distribution pipeline to Texas City, Texas.

## **Alternatives**

DOE is considering developing each of the proposed new oil storage sites (Clovelly, Louisiana; Chacahoula, Louisiana; Richton, Mississippi; or Stratton Ridge, Texas) as an independent alternative. The assessment of each alternative site will include consideration of ancillary offsite facilities and alternative pipeline routes to crude oil transportation and distribution complexes. As part of each new site alternative, DOE will assess a range of alternative capacity expansions of the three existing oil storage sites. DOE will review an 80, 96, or 108 million barrel capacity expansion at Big Hill, a no expansion or a 15 million barrel capacity expansion at West Hackberry, and a 20 or 30 million barrel capacity expansion at Bayou Choctaw. This will allow DOE to assess a wide range of alternative configurations to achieve the 1 billion barrel storage capacity, as mandated by the Energy Policy Act of 2005. In addition, DOE will assess the no action alternative in accordance with the CEQ NEPA regulations (40 CFR 1502.14).

## **Identification of Environmental Issues**

The purpose of this notice is to solicit comments and suggestions for consideration in the preparation of the EIS. As background for public comment, this notice contains a list of potential environmental issues that DOE has tentatively identified for analysis. This list, which DOE developed from preliminary scoping of the proposed expansion and similar projects, is not intended to be all-inclusive or to imply any predetermination of impacts. Instead, it is presented to facilitate public comment on the planned scope and content of the EIS. Additions to or deletions from this list may occur as a result of the public scoping process. The preliminary list of potential environmental issues that may be analyzed in the EIS includes the following:

- (1) Air Quality: The effects of construction and operation of the proposed new SPR facilities and expansion at existing sites on local and regional air quality.
- (2) Water Resources: The effects of construction (e.g., construction in water bodies and brine disposal) and operation (e.g., raw water intake and potential spills) on the quantity and quality of local and regional marine, freshwater, and groundwater systems.
- (3) Ecological Resources: The effects of construction and operation on terrestrial and aquatic plants and animals, including state- and Federally-listed threatened and endangered species, and other protected resources (e.g., wetlands and essential fish habitat).
- (4) Land Use: The effects of allocating land resources for the SPR rather than for other uses (e.g., agriculture, commercial, or recreation).
- (5) Geological Resources: The effects on the local geology and soils including halokinesis or cavern “creep,” subsidence, mixing of soil horizons, and compaction.
- (6) Public Health and Safety: The effects of construction and operation on public health and safety, including potential incidental spills and releases.
- (7) Socioeconomics: The effects of a potential influx of workers and the potential increase in demand for local services.

- (8) Cultural Resources: The potential effects on historical, archaeological, and culturally important sites.
- (9) Environmental Justice: The potential for disproportionately high and adverse effects on populations protected under Executive Order 12898.

## **Scoping Process**

To ensure that all issues related to this proposal are addressed, DOE will conduct an open process to define the scope and content of the EIS. Interested agencies, organizations, Native American tribes, and the members of the public are encouraged to submit comments or suggestions concerning the content of the EIS, issues and impacts to be addressed in the EIS, and alternatives that should be considered.

Written comments should be sent to DOE as described in the ADDRESSES section above. Public scoping meetings will be held at the locations, dates, and times listed in the DATES and ADDRESSES sections. These meetings will be informal. A presiding officer designated by DOE will establish procedures governing the conduct of the meetings. The meetings will not be conducted as evidentiary hearings, and those who choose to make statements will not be cross-examined by other speakers. To request time to speak at the public scoping meetings, please contact Donald Silawsky via mail, fax, or e-mail as listed in the ADDRESSES section of this Notice. Persons may also sign up to speak before each meeting at the reception desk at the entrance to the meeting.

To ensure that everyone who wishes to speak has a chance to do so, five minutes will be allotted to each speaker. Depending on the number of persons requesting to speak, DOE may allow longer times for representatives of organizations. Persons wishing to speak on behalf of an organization should identify that organization when they sign up to speak.

A complete transcript of the public scoping meetings will be retained by DOE and made available to the public for review via the DOE web site at <http://www.fossil.energy.gov> and during business hours at the Department of Energy, Freedom of Information Reading Room, Forrestal Building, 1000 Independence Avenue, SW, Washington, DC 20585-0173, and at the Department of Energy SPR Project Management Office, 900 Commerce Road East, New Orleans, LA 70123-3406. Additional copies of the public scoping meetings transcripts will be made available during normal business hours at the following locations:

### **Terrebonne Parish, LA**

Terrebonne Parish Public Library  
151 Civic Center Blvd.  
Houma, LA 70360

### **Lafourche Parish LA**

Martha Sowell Utley Memorial Library  
Thibodaux Branch  
314 St. Mary Street,

Thibodaux, LA 70301-2620

**Jackson County, MS**  
Pascagoula Public Library  
3214 Pascagoula St  
Pascagoula, MS 39567

**Perry County, MS**  
Richton Public Library  
210 N Front St  
Richton, MS 39476

**Brazoria County, TX**  
Lake Jackson Library  
250 Circle Way  
Lake Jackson, TX 77566

#### **Draft EIS Schedule and Availability**

The draft EIS is scheduled to be issued in early spring 2006. The availability of the Draft EIS and dates for public hearings soliciting comments on it will be announced in the Federal Register and local media. Comments on the Draft EIS will be considered in preparing the Final EIS. The Draft EIS will be made available for public inspection at the libraries identified above.

Those interested parties who do not wish to submit comments at this time, but who would like to receive a copy of the Draft EIS and other project materials, please contact Donald Silawsky as provided in the ADDRESSES section of this notice.

Issued in Washington, DC, on August 29, 2005.

John Spitaleri Shaw  
Assistant Secretary  
for Environment, Safety and Health